



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2018  
OF THE CONDITION AND AFFAIRS OF THE

Envision Insurance Company

NAIC Group Code	00000	(Current Period)	00000	(Prior Period)	NAIC Company Code	12747	Employer's ID Number	20-4308924
Organized under the Laws of	Ohio				State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States							
Licensed as business type:	Life, Accident & Health [ X ]		Property/Casualty [ ]		Hospital, Medical & Dental Service or Indemnity [ ]			
	Dental Service Corporation [ ]		Vision Service Corporation [ ]		Health Maintenance Organization [ ]			
	Other [ ]				Is HMO Federally Qualified? Yes [ ] No [ ]			
Incorporated/Organized	02/08/2006		Commenced Business		01/01/2007			
Statutory Home Office	2181 East Aurora Road				Twinsburg, OH, US 44087			
	(Street and Number)				(City or Town, State, Country and Zip Code)			
Main Administrative Office	2181 East Aurora Road		Twinsburg, OH, US 44087		330-486-6320			
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	2181 East Aurora Road		Twinsburg, OH, US 44087					
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)					
Primary Location of Books and Records	2181 East Aurora Road		Twinsburg, OH, US 44087		954-767-2634			
	(Street and Number)		(City or Town, State, Country and Zip Code)		(Area Code) (Telephone Number)			
Internet Web Site Address	www.envisionrx.com							
Statutory Statement Contact	Scott David Gonia CPA				330-486-4846			
	(Name)				(Area Code) (Telephone Number) (Extension)			
	eicaccounting@envisionrx.com				330-486-4801			
	(E-Mail Address)				(FAX Number)			

OFFICERS

Name	Title	Name	Title
William Carl Epling	President	Scott David Gonia	Treasurer
Robert Burns Weinberg	Senior Vice President, General Counsel & Secretary	Thomas John Welsh	Chief Financial Officer & Executive Vice President

OTHER OFFICERS

Frank John Sheehy	Chief Executive Officer		

DIRECTORS OR TRUSTEES

William Carl Epling	Darren Wayne Karst	Matthew Charles Schroeder	Kermit Ray Crawford #
Frank John Sheehy	Kenneth Charles Black	Thomas John Welsh	

State of .....Ohio.....

County of .....Summit.....

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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

William Carl Epling President	Scott David Gonia Treasurer	Robert Burns Weinberg Senior Vice President, General Counsel & Secretary
a. Is this an original filing? Yes [ X ] No [ ]		
b. If no:		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	7,209,026	0	7,209,026	7,266,768
2. Stocks:				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....	0	0	0	0
5. Cash (\$ .....10,682,330 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....0 ) .....	10,682,330	0	10,682,330	39,419,281
6. Contract loans (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives .....	0	0	0	0
8. Other invested assets .....	0	0	0	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	17,891,356	0	17,891,356	46,686,049
13. Title plants less \$ ..... charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	70,649	0	70,649	34,443
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	3,994,443	0	3,994,443	1,988,882
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....197,067,993 ) and contracts subject to redetermination (\$ ..... ) .....	197,067,993	0	197,067,993	104,670,761
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	425,012,180	0	425,012,180	273,084,381
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0	897,043
18.2 Net deferred tax asset .....	258,945	9,516	249,429	797,874
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ ..... ) and other amounts receivable .....	8,914,168	461,880	8,452,288	700,037
25. Aggregate write-ins for other-than-invested assets .....	1,768,341	1,768,341	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	654,978,075	2,239,737	652,738,338	428,859,470
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	654,978,075	2,239,737	652,738,338	428,859,470
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	0	0	0	0
2501. Prepaid Expenses .....	1,768,341	1,768,341	0	0
2502. ....			0	0
2503. ....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,768,341	1,768,341	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....913,903 reinsurance ceded).....	156,114,523	0	156,114,523	25,761,504
2. Accrued medical incentive pool and bonus amounts .....	0	0	0	0
3. Unpaid claims adjustment expenses .....	3,266,163	0	3,266,163	2,431,520
4. Aggregate health policy reserves including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act.....	0	0	0	0
5. Aggregate life policy reserves .....	0	0	0	0
6. Property/casualty unearned premium reserve .....	0	0	0	0
7. Aggregate health claim reserves .....	0	0	0	0
8. Premiums received in advance .....	2,415,145	0	2,415,145	756,139
9. General expenses due or accrued .....	493,815	0	493,815	532,245
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....	478,050	0	478,050	0
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable .....	56,506,438	0	56,506,438	99,255,022
12. Amounts withheld or retained for the account of others .....	950,326	0	950,326	0
13. Remittances and items not allocated .....	0	0	0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates .....	244,538,674	0	244,538,674	114,105,954
16. Derivatives.....	0	0	0	0
17. Payable for securities .....	0	0	0	0
18. Payable for securities lending .....	0	0	0	0
19. Funds held under reinsurance treaties (with \$ .....127,494,327 authorized reinsurers, \$ .....6,560,395 unauthorized reinsurers and \$ ..... certified reinsurers) .....	134,054,722	0	134,054,722	134,976,180
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0	0	0
22. Liability for amounts held under uninsured plans .....	5,578,515	0	5,578,515	3,581,748
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	604,396,369	0	604,396,369	381,400,312
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	6,063,997
26. Common capital stock .....	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock .....	XXX	XXX	0	0
28. Gross paid in and contributed surplus .....	XXX	XXX	61,700,000	56,700,000
29. Surplus notes .....	XXX	XXX	0	0
30. Aggregate write-ins for other-than-special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	(15,358,031)	(17,304,839)
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX	0	0
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	48,341,969	47,459,158
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	652,738,338	428,859,470
DETAILS OF WRITE-INS				
2301. ....			0	0
2302. ....			0	0
2303. ....			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. Reserve for ACA Section 9010 Fee.....	XXX	XXX	0	6,063,997
2502. ....	XXX	XXX		0
2503. ....	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	6,063,997
3001. ....	XXX	XXX		0
3002. ....	XXX	XXX		0
3003. ....	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	4,923,364	3,104,782	4,277,255
2. Net premium income (including \$ non-health premium income).....	XXX	292,719,906	119,697,377	170,332,618
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	0	0	0
4. Fee-for-service (net of \$ medical expenses) .....	XXX	0	0	0
5. Risk revenue .....	XXX	0	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	292,719,906	119,697,377	170,332,618
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....			0	0
10. Other professional services .....			0	0
11. Outside referrals .....			0	0
12. Emergency room and out-of-area .....			0	0
13. Prescription drugs .....		275,371,033	229,320,956	310,280,533
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0	0
16. Subtotal (Lines 9 to 15) .....	0	275,371,033	229,320,956	310,280,533
<b>Less:</b>				
17. Net reinsurance recoveries .....		5,996,312	120,689,615	154,493,583
18. Total hospital and medical (Lines 16 minus 17) .....	0	269,374,721	108,631,341	155,786,950
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ cost containment expenses.....		3,124,323	5,033,637	6,179,335
21. General administrative expenses.....		19,015,405	6,242,294	8,844,377
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	291,514,449	119,907,272	170,810,662
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	1,205,457	(209,895)	(478,044)
25. Net investment income earned .....		76,144	88,820	109,891
26. Net realized capital gains (losses) less capital gains tax of \$ .....		0	0	981
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	76,144	88,820	110,872
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 39,348 ) (amount charged off \$ 2,510,652 )] .....		(2,550,000)	(1,800,000)	(2,200,000)
29. Aggregate write-ins for other income or expenses .....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(1,268,400)	(1,921,075)	(2,567,172)
31. Federal and foreign income taxes incurred .....	XXX	462,648	96,174	0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(1,731,048)	(2,017,249)	(2,567,172)
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX		0	0
0602. ....	XXX		0	0
0603. ....	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0	0
0701. ....	XXX		0	0
0702. ....	XXX		0	0
0703. ....	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0	0
1401. ....			0	0
1402. ....			0	0
1403. ....			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	0	0
2901. Penalties.....			0	0
2902. ....			0	0
2903. ....			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....	47,459,159	49,589,665	49,589,665
34. Net income or (loss) from Line 32 .....	(1,731,048)	(2,017,249)	(2,567,172)
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....	(557,294)	766,697	351,349
39. Change in nonadmitted assets .....	(1,828,848)	(595,938)	85,317
40. Change in unauthorized and certified reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	(30,000,000)	(30,000,000)
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....		0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....		0	0
45. Surplus adjustments:			
45.1 Paid in .....	5,000,000	30,000,000	30,000,000
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	882,810	(1,846,490)	(2,130,506)
49. Capital and surplus end of reporting period (Line 33 plus 48)	48,341,969	47,743,175	47,459,159
<b>DETAILS OF WRITE-INS</b>			
4701. Prior Period Adjustments.....		0	0
4702. ....		0	0
4703. ....		0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	157,227,535	132,062,951	168,461,799
2. Net investment income .....	115,917	128,714	225,625
3. Miscellaneous income .....	0	0	0
4. Total (Lines 1 to 3) .....	157,343,452	132,191,665	168,687,424
5. Benefit and loss related payments .....	139,021,702	92,264,447	154,941,673
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	173,824,548	135,953,131	90,682,860
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	(912,445)	0	0
10. Total (Lines 5 through 9) .....	311,933,806	228,217,578	245,624,533
11. Net cash from operations (Line 4 minus Line 10) .....	(154,590,354)	(96,025,913)	(76,937,109)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	600,000	5,434,552	5,934,552
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	600,000	5,434,552	5,934,552
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	618,230	6,063,934	6,571,297
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	971	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	618,230	6,064,905	6,571,297
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(18,230)	(630,353)	(636,745)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	(30,000,000)	(30,000,000)
16.2 Capital and paid in surplus, less treasury stock.....	5,000,000	30,000,000	30,000,000
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	120,871,631	98,056,989	83,544,702
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	125,871,631	98,056,989	83,544,702
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(28,736,953)	1,400,723	5,970,848
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	39,419,282	33,448,434	33,448,434
19.2 End of period (Line 18 plus Line 19.1) .....	10,682,330	34,849,157	39,419,282

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	402,471	.0	.0	.0	.0	.0	.0	.0	.0	402,471
2. First Quarter .....	532,221	.0	.0	.0	.0	.0	.0	.0	.0	532,221
3. Second Quarter .....	552,826	.0	.0	.0	.0	.0	.0	.0	.0	552,826
4. Third Quarter .....	581,049									581,049
5. Current Year	0									
6. Current Year Member Months	4,923,364									4,923,364
Total Member Ambulatory Encounters for Period:										
7. Physician .....	.0									
8. Non-Physician .....	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a).....	299,261,097									299,261,097
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	299,261,097									299,261,097
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	147,765,190									147,765,190
18. Amount Incurred for Provision of Health Care Services	275,371,033									275,371,033

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 293,251,090

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

∞

[illegible]



UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					0	0
2. Medicare Supplement .....					0	0
3. Dental only .....					0	0
4. Vision only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....					0	0
7. Title XIX - Medicaid .....					0	0
8. Other health .....	24,553,886	114,467,815		156,114,522	24,553,886	25,761,504
9. Health subtotal (Lines 1 to 8).....	24,553,886	114,467,815	0	156,114,522	24,553,886	25,761,504
10. Health care receivables (a) .....					0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....					0	0
13. Totals (Lines 9-10+11+12)	24,553,886	114,467,815	0	156,114,522	24,553,886	25,761,504

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Envision Insurance Company (Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI).

The ODI recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. There is no deviation from the NAIC Accounting Practices and Procedures Manual.

	9/30/2018	12/31/2017
<b><u>NET INCOME</u></b>		
Envision Insurance Company, state basis (Page 4, Line 32, Column 2 & 3)	\$(1,731,048)	\$(2,567,172)
State Prescribed Practices that increases/(decreases) NAIC SAP	\$0	\$0
State Permitted Practices that increases/(decreases) NAIC SAP	\$0	\$0
NAIC SAP	<u>\$(1,731,048)</u>	<u>\$(2,567,172)</u>
<b><u>SURPLUS</u></b>		
Envision Insurance Company, state basis (Page 3, Line 33, Column 3 & 4)	\$48,341,969	\$47,459,158
State Prescribed Practices that increases/(decreases) NAIC SAP	\$0	\$0
State Permitted Practices that increases/(decreases) NAIC SAP	\$0	\$0
NAIC SAP	<u>\$48,341,969</u>	<u>\$47,459,158</u>

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

No Change.

D. Going Concern

Not applicable to the Company.

2. Accounting Changes and Corrections of Errors

A. New Accounting Principles

No Change.

B. Accounting Change

No Change.

3. Business Combination and Goodwill

Not applicable to the Company.

4. Discontinued Operations

Not applicable to the Company.

5. Investments

- D. Loan-Backed Securities - Not applicable to the Company.
- E. Dollar Repurchase Agreements - Not applicable to the Company.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not applicable to the Company.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not applicable to the Company.
- H. Repurchase Agreements Transactions Accounted for as a Sale - Not applicable to the Company.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not applicable to the Company.
- M. Working Capital Finance Investments - Not applicable to the Company.

## NOTES TO FINANCIAL STATEMENTS

N. Offsetting and Netting of Assets and Liabilities - Not applicable to the Company.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable to the Company.

### 7. Investment Income

Not applicable to the Company.

### 8. Derivative Instruments

H. Not applicable to the Company.

### 9. Income Taxes

No Change.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

#### A. Nature of the relationship

Envision Insurance Company is a wholly-owned subsidiary of Envision Pharmaceutical Holdings LLC. ("EPH"). EPH is a wholly-owned subsidiary of Rite Aid Corporation ("Parent"). Rx Options, LLC ("ROI") and First Florida Insurers of Tampa, LLC ("FFI") are affiliates of EIC and wholly-owned subsidiaries of EPH.

#### B. Significant transactions for each period

In March 2018, EPH contributed \$5 million in capital to the Company to meet minimum statutory capital and surplus requirements.

#### C. Intercompany Management and Service Arrangements

The Company has a pharmacy benefit management services agreement ("PBMSA") with ROI. The transactions under the agreement totaled \$1,055,173,651 for the year to date ended September 30, 2018.

The Company has a general insurance agency agreement with its affiliate, First Florida Insurers of Tampa, LLC ("FFI"). The Company incurred \$597,146 in commissions to FFI for the year to date ending September 30, 2018.

#### D. Amounts Due to or from Related Parties

At September 30, 2018 and December 31, 2017, the Company reported \$244,538,674 and \$114,105,954 due to affiliates, respectively. Additionally, the amounts reported as unpaid claims and unpaid claims adjustment expenses are due to ROI under the PBMSA in the amounts of \$156,114,523 and \$3,266,163 as of September 30, 2018 and \$25,761,504 and \$2,431,520 as of December 31, 2017. The September 30, 2018 payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the PBMSA.

#### E. The Company did not enter into guarantees or undertaking for the benefit of an affiliate which would result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

#### F. Management, Service Contracts, Cost Sharing Arrangements

Under the PBMSA, ROI has agreed to provide certain management services to the Company. These designated services include but are not limited to accounting, payroll, claims processing, facilities, customer service and other general administrative services.

The Company has a written tax sharing agreement with the Parent, and its allocation of the Parent's federal income and state income and premium tax liability is based on the Company's federal tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Parent provides that the Company will pay the Parent for its net operating losses to the extent that such net operating loss is used in the reduction of the Company's federal income tax liability. Furthermore, state income and premium tax that results from a combined/consolidated filing shall be allocated to each entity based on the aggregate apportionment of all participating members included within the respective filing. As of September 30, 2018, no amounts were owed for federal income taxes and none were reported as current federal and foreign income tax receivable in the Statement of Assets. Intercompany tax balances are settled annually.

#### G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by EPH.

#### H. Amount Deducted for Investment in Upstream Company

None.

## NOTES TO FINANCIAL STATEMENTS

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

None.

J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies

None.

K. Investment in a Foreign Insurance Subsidiary

None.

### 11. Debt

Not applicable to the Company.

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

Not applicable to the Company.

### 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

See Note 10B

### 14. Contingencies

Under the terms of a reinsurance agreement for a prior plan year, the Company billed and, in March 2018, issued a demand for payment to a reinsurer for \$1.2 million due to the Company for the final settlement of the CMS Part D plan year for 2012. In April 2018, the reinsurer responded to the demand for payment with a request for arbitration as allowed by the reinsurance agreement. The Company has assigned an arbitrator and expects proceedings to commence later in 2018. The Company asserts that the amounts due from the reinsurer remain valid and collectible.

### 15. Leases

Not applicable to the Company.

### 16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not applicable to the Company.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- B. Transfer and Servicing of Financial Assets - Not applicable to the Company.
- C. Wash Sales - Not applicable to the Company.

### 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable to the Company.

### 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable to the Company.

### 20. Fair Value Measurements

The Company has no assets or liabilities recorded at fair value as of September 30, 2018.

### 21. Other Items

- C. Other Disclosures and Unusual Items

#### ACA 9010 Fee

As of January 1, 2018, the Company has written health insurance subject to the annual Health Insurance Providers fee under section 9010 of the Federal Affordable Care Act ("ACA"). The Company's portion of the fee is \$5.9 million and is reported in these statements as General Administrative Expenses at September 30, 2018. The 2018 fee is eligible for ceding under certain reinsurance agreements and is reported net of expected reinsurance recovery.

## NOTES TO FINANCIAL STATEMENTS

Enacted on January 22, 2018, along with continuing resolution legislation, H.R. 195, Division D – Suspension of Certain Health-Related Taxes, § 4003, suspends collection of the fee for the 2019 calendar year. Thus, health insurance issuers are not required to pay these fees for 2019. As such, no amount has been accrued as Special Surplus in 2018.

### State Guaranty Association Assessment

Insurers licensed to do business in a state are required by law to be a member of the state guaranty association. Guaranty associations provide for the payment of covered claims arising from the insolvency of insurers and are funded through assessments on solvent insurer members per state law. These assessments are based on each member's share of premium during the prior three years. The Company received an assessment of \$462 thousand from a state guaranty association related to the insolvency of several life and health insurers. All premiums of the Company included as the basis for the assessment were under the Medicare Part D program. Federal law prohibits assessments imposed by states on any payment made by the Centers for Medicare and Medicaid Services (CMS). In April 2017, the Company paid and expensed the assessment to avoid potential penalties and sanctions and filed a written appeal of the assessment with the guaranty association asserting that state law is preempted by federal law and Medicare Part D is not a health insurance policy regulated by the state. The guaranty association denied the appeal in June 2017. As permitted by state law, the Company submitted a second appeal to the state insurance commissioner. In June 2018, the state insurance commissioner agreed with the Company's arguments in the second appeal and ordered the guaranty association to refund the assessment paid. In July 2018, the guaranty association requested the state court review the commissioner's order. This appeal is still pending in state court. Based on the commissioner's order, the Company recorded a receivable and expense reduction of \$462 thousand in these statements in Q2 and continues to believe that the amounts due remain valid and collectible. However, in accordance with statutory accounting principles, this amount has been non admitted at September 30, 2018.

### **22. Events Subsequent**

Not applicable to the Company.

### **23. Reinsurance**

Effective January 1, 2018, the Company does not have a reinsurance agreement for its 2018 Plan Year Medicare Part D individual plan and certain group prescription drug plans.

### **24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

E. Risk-Sharing Provisions of the Affordable Care Act - Not applicable to the Company.

### **25. Change in Incurred Claims and Claims Adjustment Expenses**

Unpaid claims and claims adjustment expenses were \$159,380,686 at September 30, 2018. In 2018, \$26,985,406 was paid for incurred claims and claims adjustment expenses attributable to insured events of 2017 and prior years. The reserves at September 30, 2018 are for current year activities. There are no reserves remaining for prior years.

### **26. Intercompany Pooling Arrangements**

Not applicable to the Company.

### **27. Structured Settlements**

Not applicable to the Company.

### **28. Health Care Receivables**

Not applicable to the Company.

### **29. Participating Policies**

Not applicable to the Company.

### **30. Premium Deficiency Reserves**

Not applicable to the Company.

### **31. Anticipated Subrogation and Other Receivables**

Not applicable to the Company.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐

If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☒ No ☐
- 3.5

If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group

84129
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☒ NA ☐

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2016
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2016
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

02/20/2018
- 6.4

By what department or departments?

Ohio Department of Insurance
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ NA ☒
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain: .....

9.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s). .....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s). .....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [ ] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto: .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0

13. Amount of real estate and mortgages held in short-term investments: .....\$ .....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....0	\$ .....0
14.22 Preferred Stock .....	\$ .....0	\$ .....0
14.23 Common Stock .....	\$ .....0	\$ .....0
14.24 Short-Term Investments .....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate .....	\$ .....0	\$ .....0
14.26 All Other .....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....0	\$ .....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....0
16.2	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....0
16.3	Total payable for securities lending reported on the liability page	\$.....0

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? ..... Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Huntington National Bank.....	300 Market Street, Akron OH 44308.....

17.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [“...that have access to the investment accounts”; “...handle securities”]

1	2
Name of Firm or Individual	Affiliation
.....	.....
.....	.....
.....	.....

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity's assets? ..... Yes [ ] No [ ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? ..... Yes [ ] No [ ]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of “A” (affiliated) or “U” (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? ..... Yes [X] No [ ]

18.2 If no, list exceptions: .....  
.....

19. By self-designating 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5\*GI securities?..... Yes [ ] No [X]



GENERAL INTERROGATORIES  
PART 2 - HEALTH

1.

Operating Percentages:

1.1 A&H loss percent

92.0 %

1.2 A&H cost containment percent

0.0 %

1.3 A&H expense percent excluding cost containment expenses

%

2.1 Do you act as a custodian for health savings accounts?

Yes ☐ No ☒

2.2 If yes, please provide the amount of custodial funds held as of the reporting date

\$

2.3 Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

2.4 If yes, please provide the balance of the funds administered as of the reporting date

\$

3.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes ☒ No ☐

3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes ☐ No ☐

**STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company**

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

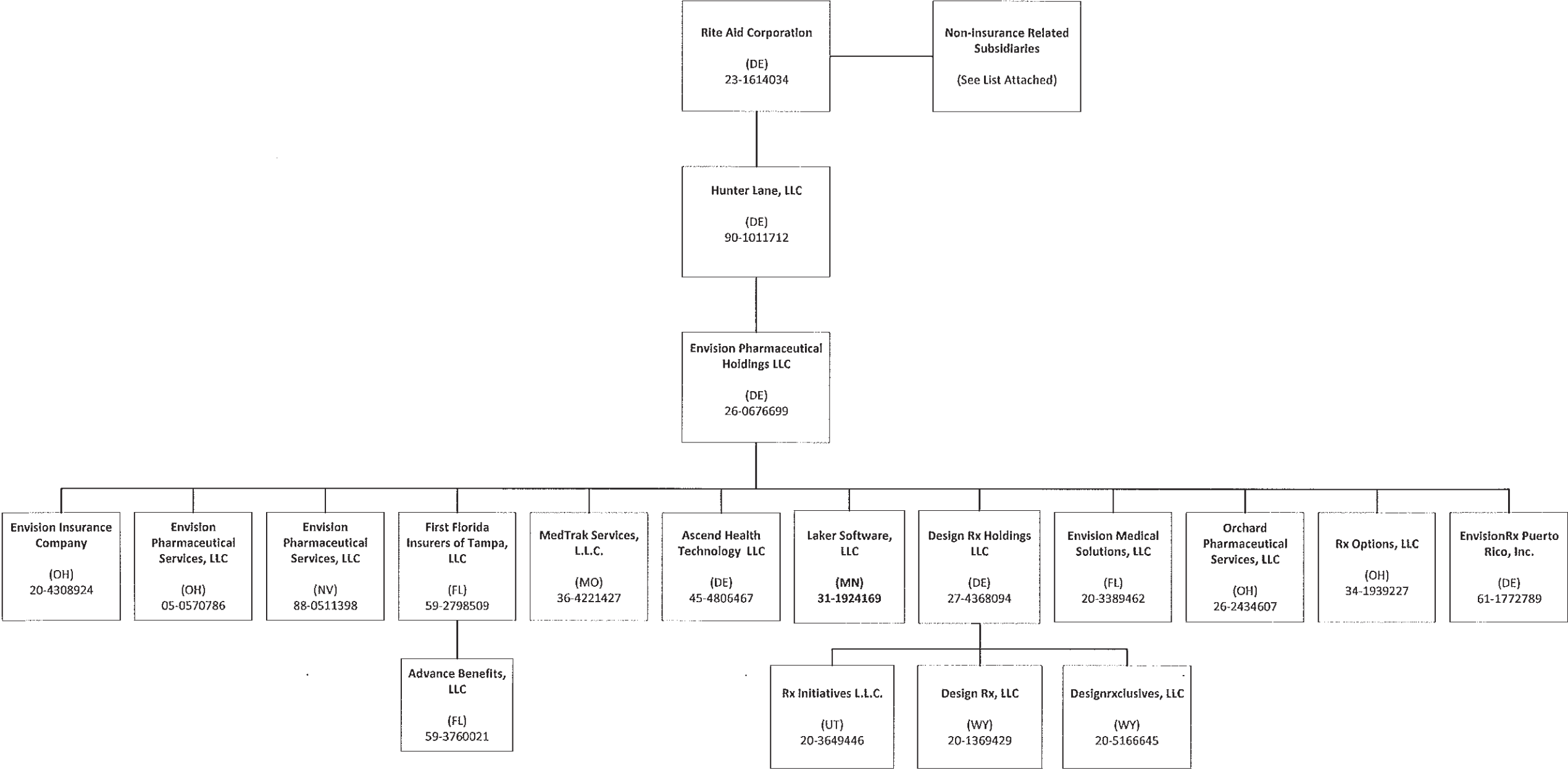
[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
States, Etc.	1  Active Status (a)	Direct Business Only							
		2  Accident & Health Premiums	3  Medicare Title XVIII	4  Medicaid Title XIX	5  Federal Employees Health Benefits Program Premiums	6  Life & Annuity Premiums & Other Considerations	7  Property/ Casualty Premiums	8  Total Columns 2 Through 7	9  Deposit-Type Contracts
1. Alabama .....	AL	1,615,969						1,615,969	
2. Alaska .....	AK	1,174,833						1,174,833	
3. Arizona .....	AZ	5,705,173						5,705,173	
4. Arkansas .....	AR	594,623						594,623	
5. California .....	CA	18,391,504						18,391,504	
6. Colorado .....	CO	8,128,964						8,128,964	
7. Connecticut .....	CT	4,940,596						4,940,596	
8. Delaware .....	DE	3,618,010						3,618,010	
9. Dist. Columbia .....	DC	1,413,971						1,413,971	
10. Florida .....	FL	3,468,761						3,468,761	
11. Georgia .....	GA	11,894,387						11,894,387	
12. Hawaii .....	HI	296,128						296,128	
13. Idaho .....	ID	2,664,093						2,664,093	
14. Illinois .....	IL	13,653,678						13,653,678	
15. Indiana .....	IN	2,256,564						2,256,564	
16. Iowa .....	IA	817,131						817,131	
17. Kansas .....	KS	579,949						579,949	
18. Kentucky .....	KY	1,528,688						1,528,688	
19. Louisiana .....	LA	994,526						994,526	
20. Maine .....	ME	3,903,985						3,903,985	
21. Maryland .....	MD	10,457,843						10,457,843	
22. Massachusetts .....	MA	11,245,971						11,245,971	
23. Michigan .....	MI	18,695,178						18,695,178	
24. Minnesota .....	MN	876,839						876,839	
25. Mississippi .....	MS	5,319,567						5,319,567	
26. Missouri .....	MO	459,126						459,126	
27. Montana .....	MT	224,350						224,350	
28. Nebraska .....	NE	352,077						352,077	
29. Nevada .....	NV	340,130						340,130	
30. New Hampshire .....	NH	3,760,734						3,760,734	
31. New Jersey .....	NJ	3,428,354						3,428,354	
32. New Mexico .....	NM	2,350,591						2,350,591	
33. New York .....	NY	16,826,627						16,826,627	
34. North Carolina .....	NC	15,328,035						15,328,035	
35. North Dakota .....	ND	152,337						152,337	
36. Ohio .....	OH	17,293,854						17,293,854	
37. Oklahoma .....	OK	883,324						883,324	
38. Oregon .....	OR	9,576,194						9,576,194	
39. Pennsylvania .....	PA	32,776,291						32,776,291	
40. Rhode Island .....	RI	1,726,860						1,726,860	
41. South Carolina .....	SC	10,414,317						10,414,317	
42. South Dakota .....	SD	200,970						200,970	
43. Tennessee .....	TN	1,624,640						1,624,640	
44. Texas .....	TX	6,766,549						6,766,549	
45. Utah .....	UT	2,198,744						2,198,744	
46. Vermont .....	VT	1,898,088						1,898,088	
47. Virginia .....	VA	3,396,998						3,396,998	
48. Washington .....	WA	19,189,678						19,189,678	
49. West Virginia .....	WV	6,145,545						6,145,545	
50. Wisconsin .....	WI	7,506,048						7,506,048	
51. Wyoming .....	WY	138,225						138,225	
52. American Samoa .....	AS	N						0	
53. Guam .....	GU	18,401						18,401	
54. Puerto Rico .....	PR	47,080						47,080	
55. U.S. Virgin Islands .....	VI	N						0	
56. Northern Mariana Islands .....	MP	N						0	
57. Canada .....	CAN	N						0	
58. Aggregate other alien .....	OT	0	0	0	0	0	0	0	0
59. Subtotal .....	XXX	299,261,097	0	0	0	0	0	299,261,097	0
60. Reporting entity contributions for Employee Benefit Plans .....	XXX							0	
61. Total (Direct Business) .....	XXX	299,261,097	0	0	0	0	0	299,261,097	0
DETAILS OF WRITE-INS									
58001. ....	XXX								
58002. ....	XXX								
58003. ....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page. ....	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above) .....	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG .....53 R – Registered – Non-domiciled RRGs .....0  
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state .....0 Q – Qualified – Qualified or accredited reinsurer .....0  
N – None of the above – Not allowed to write business in the state .....4



RITE AID CORPORATION AFFILIATES/SUBSIDIARIES

Company (Name in which such subsidiary conducts business if other than corporate name):	State of Incorporation or Organization
112 Burleigh Avenue Norfolk, LLC	Virginia
1515 West State Street Boise, Idaho, LLC	Delaware
1740 Associates, LLC	Michigan
3581 Carter Hill Road—Montgomery Corp.	Alabama
4042 Warrensville Center Road—Warrensville Ohio, Inc.	Ohio
5277 Associates, Inc.	Washington
5600 Superior Properties, Inc.	Ohio
657 - 659 Broad St. Corp.	New Jersey
Advance Benefits, LLC	Florida
Apex Drug Stores, Inc.	Michigan
Ascend Health Technology, LLC	Delaware
Broadview and Wallings—Broadview Heights Ohio, Inc.	Ohio
Design Rx, LLC	Wyoming
Design Rxclusives, LLC	Wyoming
Design Rx Holdings, LLC	Delaware
Eagle Managed Care Corp.	Delaware
Eckerd Corporation	Delaware
EDC Drug Stores, Inc.	North Carolina
England Street—Asheland Corporation	Virginia
Envision Insurance Company	Ohio
Envision Medical Solutions, LLC	Florida
Envision Pharmaceutical Holdings LLC	Delaware
Envision Pharmaceutical Services, LLC	Nevada
Envision Pharmaceutical Services, LLC	Ohio
EnvisionRx Puerto Rico, Inc.	Delaware
First Florida Insurers of Tampa, LLC	Florida
GDF, Inc.	Maryland
Genovese Drug Stores, Inc.	Delaware
Harco, Inc.	Alabama
Health Dialog Services Corporation	Delaware
Hunter Lane, LLC	Delaware
JCG (PJC) USA, LLC	Delaware
JCG Holdings (USA), Inc.	Delaware
K&B Alabama Corporation	Alabama
K&B Louisiana Corporation	Louisiana
K&B Mississippi Corporation	Mississippi
K&B Services, Incorporated	Louisiana
K&B Tennessee Corporation	Tennessee
K&B Texas Corporation	Texas
K&B, Incorporated	Delaware
Keystone Centers, Inc.	Pennsylvania
Lakehurst and Broadway Corporation	New Jersey
Laker Software, LLC	Minnesota
Maxi Drug North, Inc.	Delaware
Maxi Drug South, L.P.	Delaware
Maxi Drug, Inc.	Delaware
Maxi Green, Inc.	Vermont
MedTrak Services, L.L.C.	Delaware
Munson & Andrews, LLC	Delaware
Name Rite, LLC	Delaware
Orchard Pharmaceutical Services, LLC	Ohio
P.J.C. Distribution, Inc.	Delaware
P.J.C. Realty Co., Inc.	Delaware
Patton Drive and Navy Boulevard Property Corporation	Florida
PDS-1 Michigan, Inc.	Michigan
Perry Distributors, Inc.	Michigan
Perry Drug Stores Inc.	Michigan
PJC Dorchester Realty LLC	Delaware
PJC East Lyme Realty LLC	Delaware
PJC Haverhill Realty LLC	Delaware
PJC Hermitage Realty LLC	Delaware
PJC Hyde Park Realty LLC	Delaware
PJC Lease Holdings, Inc.	Delaware
PJC Manchester Realty LLC	Delaware
PJC Mansfield Realty LLC	Delaware
PJC New London Realty LLC	Delaware
PJC of Massachusetts, Inc.	Massachusetts
PJC of Rhode Island, Inc.	Rhode Island

<b>Company (Name in which such subsidiary conducts business if other than corporate name):</b>	<b>State of Incorporation or Organization</b>
PJC of Vermont, Inc. ....	Vermont
PJC Peterborough Realty LLC.....	Delaware
PJC Providence Realty LLC .....	Delaware
PJC Realty MA, Inc. ....	Massachusetts
PJC Realty N.E. LLC.....	Delaware
PJC Revere Realty LLC.....	Delaware
PJC Special Realty Holdings, Inc. ....	Delaware
Ram—Utica, Inc. ....	Michigan
RDS Detroit, Inc. ....	Michigan
READ’s Inc. ....	Maryland
RediClinic LLC.....	Delaware
Rite Aid Drug Palace, Inc. ....	Delaware
Rite Aid Hdqtrs. Corp. ....	Delaware
Rite Aid Hdqtrs. Funding, Inc.....	Delaware
Rite Aid Lease Management Company .....	California
Rite Aid of Alabama, Inc. ....	Alabama
Rite Aid of Connecticut, Inc. ....	Connecticut
Rite Aid of Delaware, Inc. ....	Delaware
Rite Aid of Florida, Inc. ....	Florida
Rite Aid of Georgia, Inc.....	Georgia
Rite Aid of Illinois, Inc. ....	Illinois
Rite Aid of Indiana, Inc. ....	Indiana
Rite Aid of Kentucky, Inc.....	Kentucky
Rite Aid of Maine, Inc. ....	Maine
Rite Aid of Maryland, Inc.....	Maryland
Rite Aid of Massachusetts, Inc. ....	Massachusetts
Rite Aid of Michigan, Inc. ....	Michigan
Rite Aid of New Hampshire, Inc. ....	New Hampshire
Rite Aid of New Jersey, Inc. ....	New Jersey
Rite Aid of New York, Inc.....	New York
Rite Aid of North Carolina, Inc. ....	North Carolina
Rite Aid of Ohio, Inc. ....	Ohio
Rite Aid of Pennsylvania, Inc. ....	Pennsylvania
Rite Aid of South Carolina, Inc. ....	South Carolina
Rite Aid of Tennessee, Inc.....	Tennessee
Rite Aid of Vermont, Inc. ....	Vermont
Rite Aid of Virginia, Inc. ....	Virginia
Rite Aid of Washington, D.C., Inc.....	Washington DC
Rite Aid of West Virginia, Inc.....	West Virginia
Rite Aid Online Store Inc. ....	Delaware
Rite Aid Payroll Management Inc. ....	Delaware
Rite Aid Realty Corp. ....	Delaware
Rite Aid Rome Distribution Center, Inc. ....	New York
Rite Aid Services, LLC.....	Delaware
Rite Aid Specialty Pharmacy LLC.....	Delaware
Rite Aid Transport, Inc. ....	Delaware
Rite Fund, Inc. ....	Delaware
Rite Investments Corp. ....	Delaware
Rite Investments Corp., LLC .....	Delaware
Rx Choice, Inc. ....	Delaware
Rx Initiatives, LLC .....	Utah
Rx Options, LLC.....	Ohio
Silver Springs Road—Baltimore, Maryland/One, LLC.....	Delaware
Silver Springs Road—Baltimore, Maryland/Two, LLC .....	Delaware
The Jean Coutu Group (PJC) USA, Inc. ....	Delaware
The Lane Drug Company.....	Ohio
Thrift Drug Inc.....	Delaware
Thrifty Corporation.....	California
Thrifty PayLess, Inc.....	California
Tyler and Sanders Roads—Birmingham, Alabama, LLC.....	Delaware

SCHEDULE Y  
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
			23-1614034		84129	NYSE	Rite Aid Corporation	DE	UDP	Board of Directors	Board of Directors	100.0	Rite Aid Corporation	N	0
			90-1011712				Hunter Lane, LLC	DE	NIA	Rite Aid Corporation	Ownership	100.0	Rite Aid Corporation	N	0
			26-0676699				Envision Pharmaceutical Holdings LLC	DE	NIA	Hunter Lane, LLC	Ownership	100.0	Rite Aid Corporation	N	0
		12747	20-4308924				Envision Insurance Company	OH	RE	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			34-1939227				Rx Options, LLC	OH	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			34-4221427				MedTrak Services, LLC	MO	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			05-0570786				Envision Pharmaceutical Services, LLC	OH	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			88-0511398				Envision Pharmaceutical Services, LLC	NV	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			20-3389462				Envision Medical Solutions, LLC	FL	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			26-2434607				Orchard Pharmaceutical Services, LLC	OH	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			59-2798509				First Florida Insurers of Tampa, LLC	OH	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			59-3760021				Advance Benefits, LLC	FL	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			27-4368094				Design Rx Holdings LLC	DE	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			20-1369429				Design Rx, LLC	WY	NIA	Design Rx Holdings Corporation, LLC	Ownership	100.0	Rite Aid Corporation	N	0
			20-5166645				Design Rxclusives, LLC	WY	NIA	Design Rx Holdings Corporation, LLC	Ownership	100.0	Rite Aid Corporation	N	0
			20-3649446				Rx Initiatives L.L.C	UT	NIA	Design Rx Holdings Corporation, LLC	Ownership	100.0	Rite Aid Corporation	N	0
			45-4806467				Ascend Health Technology LLC	DE	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0
			41-1924169				Laker Software, LLC	MN	NIA	Envision Pharmaceutical Holdings LLC	Ownership	100.0	Rite Aid Corporation	N	0

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....YES.....

Explanation:

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other-than-temporary impairment recognized .....		0
8. Deduct current year's depreciation .....		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....		0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other-than-temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	7,266,768	6,741,377
2. Cost of bonds and stocks acquired .....	618,230	6,571,297
3. Accrual of discount .....		0
4. Unrealized valuation increase (decrease) .....		0
5. Total gain (loss) on disposals .....		981
6. Deduct consideration for bonds and stocks disposed of .....	600,000	5,934,552
7. Deduct amortization of premium .....	75,973	112,335
8. Total foreign exchange change in book/adjusted carrying value .....		0
9. Deduct current year's other-than-temporary impairment recognized .....		0
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) .....	7,209,025	7,266,768
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	7,209,025	7,266,768

STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	7,233,689	101,199	100,000	(25,863)	7,257,006	7,233,689	7,209,025	7,266,768
2. NAIC 2 (a).....	.0				.0	.0	.0	.0
3. NAIC 3 (a).....	.0				.0	.0	.0	.0
4. NAIC 4 (a).....	.0				.0	.0	.0	.0
5. NAIC 5 (a).....	.0				.0	.0	.0	.0
6. NAIC 6 (a).....	0				0	0	0	0
7. Total Bonds	7,233,689	101,199	100,000	(25,863)	7,257,006	7,233,689	7,209,025	7,266,768
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....	.0				.0	.0	.0	.0
9. NAIC 2 .....	.0				.0	.0	.0	.0
10. NAIC 3 .....	.0				.0	.0	.0	.0
11. NAIC 4 .....	.0				.0	.0	.0	.0
12. NAIC 5 .....	.0				.0	.0	.0	.0
13. NAIC 6 .....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	7,233,689	101,199	100,000	(25,863)	7,257,006	7,233,689	7,209,025	7,266,768

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ;  
NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

Schedule DA - Part 1

NONE

Schedule DA - Verification

NONE

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Part 2 - Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

## E04

## E04

E04

E04

E04

**STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company**

## SCHEDULE D - PART 4

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter**

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE



**STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company**

## SCHEDULE E - PART 1 - CASH

[illegible]

**STATEMENT AS OF SEPTEMBER 30, 2018 OF THE Envision Insurance Company**

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

## Show Investments Owned End of Current Quarter

[illegible]



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2018 OF THE Envision Insurance Company

**MEDICARE PART D COVERAGE SUPPLEMENT**

(Net of Reinsurance)

NAIC Group Code.....00000

NAIC Company Code.....12747

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected.....	142,196,167	xxx	13,150,207	xxx	155,346,374
2. Earned Premiums	277,688,537	xxx	13,150,207	xxx	xxx
3. Claims Paid.....	132,626,266	xxx	5,492,293	xxx	138,118,559
4. Claims Incurred.....	257,696,748	xxx	10,671,687	xxx	xxx
5. Reinsurance Coverage and Low Income Cost Sharing – Claims Paid Net of Reimbursements Applied (a).....	xxx	143,151,938	xxx	6,779,097	149,931,035
6. Aggregate Policy Reserves - Change.....		xxx		xxx	xxx
7. Expenses Paid.....	22,974,662	xxx	439,157	xxx	23,413,819
8. Expenses Incurred.....	21,253,769	xxx	406,263	xxx	xxx
9. Underwriting Gain or Loss.....	(1,261,980)	xxx	2,072,257	xxx	xxx
10. Cash Flow Result	xxx	xxx	xxx	xxx	(156,117,039)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ .....425,012,180 due from CMS or \$ .....due to CMS